

EVENTS *of the* YEAR 2009

EVENTS are those occurrences that transpired during the previous calendar year that made headlines, captured the industry's attention and imagination and became the biggest discussion topics of the year. The selections were also based upon their projected future impact on the industry, rather than solely on their performance in 2009.



#10

Houston Becomes #1 REALTOR® Association

In August 2009 the Houston Association of Realtors® (HAR) officially became the largest local Realtor® board in the United States following a recent rise in their membership and a decline in membership at the Long Island (New York) Board of Realtors® (LIBOR). HAR, with a membership of 23,354, surpassed its long standing rival for the top slot by 118. These two have long been the largest local associations by far with the Greater Las Vegas Association of Realtors® holding the third spot with nearly 10,000 fewer members. Congratulations to Bob Hale and his team.

#9

Metro Brokers Switches Franchise Brands

With 2,000 sales associates, the brand switch Metro Brokers made in December 2009 from GMAC to Better Homes & Gardens recorded the largest move of one brokerage company from one franchise brand to another. The departure away from the number-one GMAC franchise in the world to become the number-one BH&G franchise in the world was a major move and strongly refutes the high value many franchises have attached to their brands. Many observe this move as the beginning of more swaps to come as franchisees increasingly look for more than just a name. They want visionary leadership, quality training, technology, Internet and Social Media savvy solutions and, above all, a dependable partner.

#8

RE BarCamp Sets Event Benchmark

RE BarCamp is an ad-hoc gathering of people (real estate professionals from different facets of the business) that share and learn in an open environment. It is widely referred to as an unconvention, with no pre-determined programs or invited guest speakers delivering PowerPoint presentations from a stage. Rather, the structure follows a roundtable of open discussion concerning topics sourced from the registrants and as a result of interaction between attendees. It may only have started in August 2008, but in 2009 it exploded to over 20 major cities across the country and is currently one of the "happening" events in real estate.

#7

RVMs & AVMs Become Strategic

AVM (Automated Valuation Model) is the term widely used to describe the process of providing property valuation by using a mathematical algorithm based on the data. In real estate, AVMs calculate the value of a specific property by analyzing the value of comparable properties sold and registered. The newly announced RVM (Realtor® Valuation Model) utilizes the same mathematical analysis but hopes to aggregate the information available from 700+ MLSs (Multiple Listing Service) across the country. The NAR, the driver behind the RVM, hopes that this model will become the default valuation method for all financial institutions nationwide. If achieved this will be a major industry game changer.

#6

Realtor® Credit Union Celebrates First Year of Operation

One year ago at the 2008 Realtors® Conference & Expo in Orlando, the NAR announced that it had received regulatory approval and a charter for Realtors® Federal Credit Union (RFCU). The Rockville, Maryland-based credit union works in partnership with the NAR as a Realtor® Benefits Program Partner, but it operates totally separate from the NAR with

its own board of directors and management team. Now, one year later, RFCU has 3,000 members, \$25 million in assets, \$16 million in deposits and \$8 million in loans, making it larger than 60% of all credit unions today. Impressive. With a stated goal of being in the top 5% of all credit unions within five years the RFCU is definitely a sleeping giant.

#5

Keller Williams Climbs to Third Largest Real Estate Franchise

In March Keller Williams Realty Inc. announced at its 2009 annual convention that it had moved ahead of RE/MAX International to now claim the third-largest real estate franchise in the U.S. with 72,794 associates at the end of 2008 according to a study by Steve Murray of REAL Trends. According to Keller Williams, the growth gained momentum during the last three years of the downturn, where it outpaced most other real estate franchises that had lost agents. During the period from 2006 to 2008 KW increased its associate count by an astonishing 52%. Watch out Century 21 and Coldwell Banker, you have someone coming up fast in your rear view mirror.

#4

Short Sales and Foreclosures Maintain High Visibility

After increasing more than 30% per year for the last four years, some estimate that foreclosures will drop to about 1.75 million in 2010/11. The Treasury Department continues to place pressure on mortgage lenders to make trial loan modifications permanent. Furthermore, in December the Treasury set long-awaited guidelines designed to simplify and speed up the short-sale process through its Home Affordable Foreclosure Alternatives Program. Until now the short-sale process has been cumbersome for all involved, taking as long as eight to 10-months to close a transaction. The program goes into effect April 5, 2010.

#3

Brookfield RPS Acquires a Great Solution

Announcing their second largest acquisition in November 2009, Brookfield RPS became the owner of Real Living Network Services. Combining all the residential real estate brokerage companies Brookfield now owns in Canada and the U.S., makes them one of North America's top 10 leading residential real estate franchises, with more than \$20 billion in annual home sales and an estimated 30,000 agents. The reason the Ohio-based Real Living acquisition is such a great solution for Brookfield is that the GMAC franchise they acquired last year was lacking momentum, a CEO and contractually had to replace their name. This acquisition provided them a solution for all three challenges with very little duplication. Congrats Graham Badan.

#2

RPR Becomes the NAR Convention Buzz

Squeezing in a botched (who was invited and who wasn't) and a confusing (intermingling a B2B and B2C initiative) talking head video press announcement a week before the NAR convention was surprising. However, the timing was great as the buzz propelled the Realtors® Property Resource (RPR) into the most discussed and debated topic at the convention. Although billed as the largest single source of real estate information in the world and the "ultimate" member benefit it is also ridiculed as a threat to MLSs across the country. One thing is certain, it is the most significant project undertaken by the NAR in years.

The **EVENT** *of the* **YEAR 2009**



Extended Tax Credit Helps Boost Housing Market

In the hopes of sustaining the real estate market's recent momentum President Obama signed the Worker, Homeownership and Business Assistance Act of 2009 in November, extending the FTHBC until April 2010. The legislation includes language that significantly expands the popular first-time homebuyer tax credit to more than two-thirds of current homeowners and nearly all first-time buyers. On its own this will not save the housing market, but it sparked a rush to buy homes before the extension was approved in November. This resulted in an increase of 7.4% over October for a record 545,000 housing units sold. With rising unemployment and a sluggish economic recovery let's hope that the incentive created by the tax credit carries the housing market through to the summer of 2010.

